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C O N F I D E N T I A L SANTIAGO 001101

SIPDIS

E.O. 12958: DECL: 12/14/2018
TAGS: [PGOV](#) [PREL](#) [CI](#)
SUBJECT: INSULZA WON'T RESIGN FROM OAS UNTIL MID-JANUARY
EARLIEST, SAYS KEY ADVISOR

REF: A. SANTIAGO 1099
[1](#)B. SANTIAGO 1094
[1](#)C. SANTIAGO 1028 AND PREVIOUS

Classified By: Ambassador Paul E. Simons for reasons 1.4 (b) and (d).

Summary

[1](#)1. (C) Although confident that OAS SecGen Insulza will run for president of Chile, key Insulza confidante Enrique Correa told the Ambassador December 15 Insulza will not likely resign his OAS post before January 26 and only then because he has to inscribe himself by that date in the Concertacion primary. Insulza purportedly wants to insure a smooth transition to the next OAS SecGen and would not mind staying in his current position through the April 2009 Summit of the Americas. Correa believes the FMLN will win the December El Salvador elections and opined that the nascent UNASUR will never develop into a viable organization. End summary.

[1](#)2. (U) The Ambassador called December 15 on Enrique Correa, a prominent governing Concertacion coalition insider, with especially close ties to OAS Secretary General Jose Miguel Insulza to discuss the Chilean political scene, including Insulza's presidential aspirations and near term plans vis-a-vis his continuing on in his OAS position. E/Pol Counselor accompanied the Ambassador.

Insulza In No Rush to Step Down

[1](#)3. (C) The Ambassador noted the December 12-14 weekend had been a busy one for Chilean politicians, with the opposition center-right Alianza lining up firmly to back the presidential aspirations of Sebastian Pinera. Former president Eduardo Frei had also had a good weekend, with the Democratic Christians (DC), the largest of the Concertacion's four parties, unifying behind him (ref A). How would these developments impact Insulza, who had made clear last week his interest in the Chilean presidency (ref B), including his plans as to when to step down from his OAS position? It is important to have Insulza define his intentions soon, so as to better coordinate within the hemisphere the election of an acceptable successor.

[1](#)4. (C) Correa agreed it was important to have a smooth transition at the OAS and said Insulza had heard Panama might put forth former president Ernesto Perez Balladares as a candidate. Nonetheless, Correa made clear, Insulza is in no hurry to relinquish his post. He stressed the SecGen's view that the groundwork prior to stepping down had to be

carefully lain, taking into account both his responsibilities to the OAS and his presidential aspirations in Chile including, as to the latter, political realities on the ground. Those included waiting until being nominated by the Socialist Party (PS) at its January 17 convention, a virtual given, but also being sure of the support of the Party for Democracy (PPD), a third Concertacion party. (The fourth party, the Radical Socialists (PRSD) will run its own candidate but it is the smallest of the coalition and its support for Insulza not crucial or determinative to his decision to run.) Without PPD backing - which Correa thought ultimately likely - Insulza would have to reconsider whether to run at all. The PPD will announce its decision on January 24. The Concertacion's internal deadline for announcing a candidacy to run in its primary in January 26. Correa said that would be the (latest) date by which Insulza would both officially declare for president of Chile and submit his resignation from the OAS.

15. (C) Comment: Correa hinted Insulza might not be averse to holding his OAS position past that date, including into April for the Summit of the Americas. But he recognizes that that would be politically impossible here in Chile as well as untenable in Washington. End comment.

16. (C) E/Pol Counselor asked if Insulza's seeming indecision on officially announcing his candidacy would lose him credibility in the eyes of Chilean voters. Correa replied Insulza's internal polling continue to place him comfortably ahead of Frei, his sole viable rival in the Concertacion, and that the public "would understand" his reasons for delaying.

Correa also noted that the longer Insulza keeps his candidacy alive, the more difficult it will be for him to take himself out of the running.

El Salvador Elections, UNASUR Viability

17. (C) Correa mentioned Insulza had asked him to help monitor the upcoming elections in El Salvador; in his view the FMLN will win them. Correa also noted his opinion that the nascent UNASUR organization, which President Bachelet currently heads, and which will meet this week in Salvador de Bahia to discuss Bolivia (including UNASUR's report on the Pando affair) and the South American Defense Council, will "never" amount to much. Correa doubted it would develop a secretariat or other insitutional structure or move beyond holding the occasional talk session of limited influence.
SIMONS